

IRS PURSUES LEGAL HELP FOR LOW-INCOME TAXPAYERS

WASHINGTON -- The Internal Revenue Service is moving forward with plans to expand the availability of legal assistance to low-income taxpayers across the nation.

The new IRS project will provide \$2 million this year through the Low-Income Taxpayer Clinic grant program, designed to help organizations provide low-cost legal assistance in tax disputes. Qualifying clinics also can inform people who use English as a second language about their tax rights and responsibilities.

Under the IRS's matching grant program, groups operating these independent taxpayer clinics can qualify for up to \$100,000. In anticipation of the program's start, the IRS unveiled a draft version of the grant application package on Monday and is seeking public comment through Feb. 27.

"Encouraging the growth of low-income taxpayer clinics is one of our top priorities," said Charles Rossotti, Commissioner of Internal Revenue. "These clinics reach out to taxpayers who may have no other way to afford legal help."

For many low-income taxpayers, money problems can block their ability to get legal help when they encounter serious tax problems. But more than a dozen taxpayer legal clinics are in operation to help people navigate the tax system on issues ranging from advice on responding to an IRS notice to assistance on tax disputes that reach the courts.

The clinics may be run by a variety of organizations, including law, business or accounting schools -- whose students represent taxpayers in tax disputes with the IRS or in the courts -- or by tax-exempt organizations that represent taxpayers or refer taxpayers to qualified representatives. Taxpayers using the clinics may pay a small fee for the legal help.

To assist these clinics and encourage the development of new clinics, Congress and President Clinton approved a tax clinic program last year. The IRS is authorized to award organizations matching grants of up to \$100,000 a year to develop, expand or continue low-income taxpayer clinics.

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As an initial step, the IRS is seeking public comment on its draft version of the grant application package, including how much low-income taxpayers should pay for clinic services. The IRS website at www.irs.ustreas.gov has copies.

When the grant application package is finalized this spring, it will set in motion a series of events. Clinics can apply to the IRS for matching funds, with awards granted this summer.

Among the factors that will be considered in the grant process are the clinic program's quality of service, the number of low-income taxpayers served and how many people in the clinic's service area use English as a second language.

"These clinics fit in with our goal of improving service to taxpayers," Rossotti said. "We want people to be able to resolve problems with the IRS quickly and easily. But if for some reason they can't, these clinics provide low-income taxpayers with an affordable way to find legal assistance."

Rossotti said the clinics mesh with the new IRS mission of providing "America's taxpayers top quality service by helping them understand and meet their tax responsibilities by applying the tax law with integrity and fairness to all."

"We want everyone to be able to get help, regardless of their income," Rossotti said.

The IRS has been helping low-income taxpayers for years through such programs as the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE).

"We have programs in place to assist people with their tax returns and tax questions, but the tax clinic concept goes one step further," said Marilyn Soulsburg, IRS Assistant Commissioner for Customer Service. "We hope to see more low-income taxpayer clinics in the months ahead. We want taxpayers across the nation to have the same opportunity to get help."

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